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FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC IMMEDIATE 1512
INFO AMEMBASSY AMMAN
AMCONSUL JERUSALEM
AMEMBASSY BEIRUT
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS

C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 016445

DEPT FOR SMEC AND NEA/IAI

E.O. 12356: DECL: OADR
TAGS: PREL PTER PGOV KPAL KWBG IS
SUBJECT: HAMAS/PA AGREEMENT: ON THE BRINK AGAIN

REF: (A) TEL AVIV 15788, (B) TEL AVIV 10167

¶1. CONFIDENTIAL ENTIRE TEXT. OADR BASED ON INFORMATION FROM FOREIGN GOVERNMENT SOURCES.

SUMMARY

¶2. AN AGREEMENT BETWEEN THE PALESTINIAN AUTHORITY (PA) AND HAMAS APPEARS IMMINENT. REPORTEDLY, AFTER A LOCAL HAMAS DELEGATION MET WITH OUTSIDE LEADERS, CONSENSUS WAS REACHED ON THE ORGANIZATION'S NEED TO MOVE FROM ARMED OPPOSITION TO ISRAEL, TO POLITICAL OPPOSITION IN ORDER TO AVOID BECOMING IRRELEVANT. HAMAS LOST SUPPORT IN GAZA AFTER THE ISRAELIS AND THE PA SUCCEEDED IN CEMENTING THE LINK BETWEEN HAMAS MILITARY ACTIONS AND THE CLOSURE ON GAZA AND OTHER ECONOMIC HARDSHIPS. CONSEQUENTLY, THE NUMBER OF HAMAS MEMBERS WHO BELIEVE THAT POLITICAL PARTICIPATION IS THE ONLY WAY FOR HAMAS TO REGAIN POPULAR SUPPORT AND TAKE ITS RIGHTFUL PLACE IN PALESTINIAN PUBLIC LIFE INCREASED. THESE MODERATES, HOWEVER, FACE HAMAS RADICALS INSIDE GAZA AS WELL AS ABROAD, WHO REMAIN COMMITTED TO CONTINUING ARMED STRUGGLE AGAINST ISRAEL AND WHO HAVE TRIED TO CAST SUSPICION ON THOSE WHO WANT TO TRY OTHER METHODS. EVEN WHEN THE ORGANIZATION TAKES A FORMAL DECISION TO ABJURE MILITARY OPERATIONS, THE POSSIBILITY OF ROGUE OPERATIONS REMAINS HIGH.

GAZANS WELCOME RESPITE FROM ATTACKS

¶3. PALESTINIAN AUTHORITY (PA) OFFICIALS AND PRIVATE GAZANS AGREE THAT PUBLIC SUPPORT FOR HAMAS MILITARY ACTIONS HAS DECREASED DRAMATICALLY IN RECENT MONTHS (REF A). UNTIL THE GOI IMPOSED THE LATEST CLOSURE (WHICH HAS ALREADY LASTED MORE THAN A MONTH) GAZANS HAD BECOME USED TO A MEASURE OF NORMALCY IN THEIR DAILY LIVES AND A CHANCE TO ENJOY SOME OF THE VISIBLE IMPROVEMENTS IN GAZA. THESE INCLUDED THE ABILITY OF THOSE WITH PERMITS TO GO TO THEIR JOBS IN ISRAEL. GAZANS HAVE ALSO WELCOMED THE SIGNS OF INCREASED ECONOMIC ACTIVITY IN GAZA. INCREASED CONSTRUCTION IS THE MOST FREQUENT EXAMPLE. WHILE UNSURE WHO WILL LIVE IN ALL THE BUILDINGS GOING UP, GAZANS SEE THEM AS PROOF THAT PEOPLE WITH MONEY HAVE FAITH IN THE AREA'S FUTURE.

PA CAPITALIZED ON GOI PENALTIES

¶4. PALESTINIANS ARE UNANIMOUS IN THEIR BELIEF THAT CLOSURES IN RESPONSE TO TERRORIST ATTACKS ARE A FORM OF COLLECTIVE PUNISHMENT. AT THE SAME TIME, THEY GRUDGINGLY AGREE THAT THEY WORKED. ATTACKS STOPPED DURING CLOSURES, AND THE PUBLIC SUFFERING FROM THE

ECONOMIC CONSEQUENCES, LED MANY TO RESENT THE ATTACKS THAT BROUGHT THE CLOSURES. PA OFFICIALS AND GAZANS WITH CLOSE CONTACTS TO HAMAS OFFICIALS BELIEVE THAT ARAFAT WAS ABLE TO CONVINCE GAZANS THAT HAMAS IS NOT ONLY CAUSING ECONOMIC HARDSHIPS ON PALESTINIANS THROUGH ITS MILITARY ACTIONS, BUT HAS ALSO FAILED--UNLIKE THE PA--IN THE PRIMARY PALESTINIAN GOAL OF REGAINING TERRITORY FROM ISRAEL. ALTHOUGH MOST GAZANS EXPECTED A LENGTHY CLOSURE AROUND THE JEWISH HOLIDAYS, THE GOI PUBLIC ANNOUNCEMENT, THAT THE CURRENT CLOSURE (SCHEDULED TO BE LIFTED OCTOBER 17) IS IN RESPONSE TO SPECIFIC THREATS FROM RADICAL GROUPS, INCLUDING HAMAS, KEEPS THE LINKAGE FRONT AND CENTER.

WHAT HAMAS WANTED FROM THE PA

¶5. HAMAS MEMBERS HAVE ACKNOWLEDGED THAT THEIR STANDING AMONG GAZANS HAS FALLEN. THAT, ALONG WITH THE PA'S DEMONSTRATED READINESS TO ENGAGE THEIR MILITARY WING, ARREST AND ILL-TREAT THEIR MEMBERS (INCLUDING THEIR POLITICAL SPOKESMEN), PRESSURE THEIR SOCIAL ORGANIZATIONS, AND SHUT DOWN THEIR PUBLICATIONS, LED THEM TO NEGOTIATIONS. HAMAS HOPED TO GAIN FACE-SAVING MEASURES IN EXCHANGE FOR HALTING ALL MILITARY OPERATIONS. ACCORDING TO PA OFFICIALS, THESE INCLUDED THE RELEASE OF ALL OF THEIR MEMBERS IN DETENTION (REPORTEDLY, EVEN THOSE SENTENCED BY THE SECURITY COURT); A GUARANTEE OF MID-LEVEL POSITIONS IN THE PA; A CERTAIN NUMBER OF SEATS AFTER PALESTINIAN GENERAL ELECTIONS; AND PUBLIC ACCEPTANCE OF RESPONSIBILITY FOR THE BLOODY CLASH IN 1994 WHICH LEFT 16 PALESTINIANS DEAD.

OSLO II DRASTICALLY ALTERED THE BALANCE OF POWER

¶6. AS THE OSLO II NEGOTIATIONS GOT UNDERWAY, PRESSURE ON HAMAS TO COME TO AN AGREEMENT WITH THE PA MOUNTED. WHILE PA OFFICIALS (INCLUDING PA SECRETARY GENERAL TAYYIB ABDURRAHIM, JUSTICE MINISTER FREIH ABU MIDDEIN AND PALESTINIAN POLICE COMMANDER NASIR YUSIF) ALL MAINTAINED THAT HAMAS WAS READY TO COME TO CLOSURE WITH THE PA, PROVIDED IT DID NOT HAVE TO PUBLICLY SWEAR OFF ALL MILITARY ACTIONS AGAINST ISRAELIS AND WAS PROMISED A REAL VOICE IN THE AUTHORITY, ARAFAT WITHHELD AGREEMENT ON A DRAFT ACCORD THAT HAD BEEN DEVELOPED. YUSIF TOLD US OCTOBER 12 THAT ARAFAT HAD REFUSED TO SIGN IN THE BELIEF THAT HE COULD GET WHAT HE NEEDED FROM HAMAS WITHOUT MEETING MOST OF THEIR DEMANDS. YUSIF BELIEVED THAT SUBSEQUENT EVENTS HAVE PROVED ARAFAT RIGHT.

PA AND HAMAS REPORTEDLY NOW ON THE BRINK OF ANNOUNCING AGREEMENT

¶7. THE CONCLUSION OF THE OSLO II AGREEMENT APPARENTLY BOLSTERED THE MODERATES IN HAMAS AND A TEAM OF HAMAS SUPPORTERS WAS DISPATCHED TO KHARTOUM TO GAIN CONCURRENCE FROM HAMAS LEADERS ABROAD. ABU MIDDEIN TOLD US LATE OCTOBER 12 THAT THE TEAM HAD BEEN SUCCESSFUL. SIMILARLY, GAZA REUTERS CHIEF, TAHER SHRITEH, TOLD US OCTOBER 13 THAT A SENIOR PA OFFICIAL HAD TOLD HIM THAT THE HAMAS DELEGATION HAD RETURNED FROM SUDAN WITH A NEW DRAFT AGREEMENT, AND THAT AFTER A MIDNIGHT MEETING WITH PA OFFICIALS, BOTH SIDES WERE WILLING TO SIGN IT. SHRITEH SAID BOTH SIDES WERE UNWILLING TO TALK ABOUT THE DETAILS NOW, BUT HE EXPECTED AN ANNOUNCEMENT, IF NOT TODAY, WITHIN THE NEXT FEW DAYS.

¶8. IN THIS REGARD, IN PUBLIC REMARKS OCTOBER 13,

HAMAS LEADER MAHMOUD ZAHAR ALLUDED TO HAMAS' (AND OTHER PARTIES) OBJECTIONS TO THE DRAFT PARTIES LAW (SEPTEL), HE SAID "WE HAVE NO OBJECTION TO PARTICIPATE IN ANY ELECTION, BUT NOW WE CANNOT SPEAK ABOUT ELECTIONS EXCEPT AFTER KNOWING WHAT ARE THE DETAILS OF SUCH ELECTION." RESPONDING TO A QUESTION ABOUT WHETHER HAMAS WOULD PARTICIPATE IN A GOVERNMENT WITH THE PA, ZAHAR REPLIED, "THIS ACTUALLY WILL DEPEND ON THE RESULT OF THE ELECTION. SO NO OBJECTION ACTUALLY TO RULE EVERYTHING IN THE PROCESS OF RECONSTRUCTION." ASKED WHETHER HAMAS TERRORISM WOULD END AT SOME STAGE, ZAHAR SAID "WE HOPE SO...."

COMMENT

19. ZAHAR'S REMARKS ARE NOTEWORTHY COMING IN THE DIRECT WAKE OF THE HAMAS DELEGATION'S RETURN FROM SUDAN. HAMAS' AGREEMENT TO REFRAIN FROM MILITARY OPERATIONS WILL BE KEY TO IMPLEMENTING OSLO II. IT IS WORTH REMEMBERING HOWEVER, THAT IN ADDITION TO ROGUE IZZADIN AL QASSAM CELLS, ELEMENTS IN PALESTINIAN ISLAMIC JIHAD REMAIN COMMITTED TO ARMED STRUGGLE AGAINST ISRAEL. OPERATIONS LIKE THE JANUARY ATTACK AT BET LID MAKE CLEAR THAT EVEN WITH HAMAS FORMALLY ON BOARD, OTHERS COULD PUT A SPANNER IN THE WORKS OF OSLO II IMPLEMENTATION.

INDYK